

Funding resources for AFV Programs in New York City

1. New York State Alternative Fuel Vehicle Tax Incentives

The New York State Alternative-Fuel (Clean-Fuel) Vehicle Tax Incentive provides a tax credit equal to 50% of the incremental cost of electric vehicles and 60% of the incremental cost of other alternative-fuel vehicles (see Laws of 1997, Chapter 389, §§127-132). For electric and alternative fuel vehicles with gross weight ratings of 14,000 pounds or less, the maximum tax credit is \$5,000. For all other vehicles the maximum tax credit is \$10,000. In addition to the tax credit for AFVs, New York State has a sales tax exemption for the incremental cost of AFVs. Federal tax incentives also may apply (see Internal Revenue Code §30 and §179A).

2. New York City Private Fleet Alternative Fuel/Electric Vehicle Program

This public-private partnership is designed to encourage the use of alternative-fuel vehicles (AFVs) and electric vehicles (EVs) by private-sector companies operating vehicles in New York City. Eligible project activities include acquiring and/or converting new light-, medium- and heavy-duty vehicles powered by electricity or compressed natural gas (CNG), including dual-fuel (80%) CNG. Light-duty hybrid-electric vehicles are excluded but medium- and heavy-duty hybrid-electric vehicles are allowed. Funding for this program is provided by the New York City Department of Transportation CMAQ program and administered by the New York State Energy Research and Development Authority. Visit www.nyserda.org/funding opportunities for information on the latest round of funding. Or contact info@nyserda.org.

Contact: 1-866-NYSERDA

3. New York State Clean Cities Challenge

NYSERDA uses U.S. Department of Energy State Energy Program grants to support projects that accelerate the introduction of light-, medium-, and heavy-duty alternative fuel vehicles in Clean City stakeholder fleets. (New York City is pending approval for Clean Cities designation.) NYSERDA funds are awarded on a competitive basis, and can be used to cost-share up to 75% of the proposed project, including incremental purchase costs of alternative fuel vehicles, the cost of installing fueling and recharging equipment, and the incremental costs associated with bulk alternative fuel purchases or contracts to purchase alternative fuels such as E-85 or biodiesel. Visit www.nyserda.org/funding opportunities for information on the latest round of funding. Or contact info@nyserda.org.

Contact: 1-866-NYSERDA

4. US DOE/Clean Cities State Energy Program (SEP) Special Projects

The U.S. Department of Energy (DOE) accepts proposals on an annual basis for the State Energy Program (SEP) grants. Funding is available for Clean Cities stakeholders for projects that promote:

- The acquisition of commercially available AFVs that maximize alternative fuel use, especially when those vehicles support AFV niche market activity center or niche deployment strategy, and projects that promote the development of AFV platforms.
- AFV infrastructure development.
- The acquisition of AFV school buses.
- AFV visibility with vehicle signage.

Funding is administered by the New York State Energy Research and Development Authority.

Contact: Patrick Bolton (518) 862-1090 or ppb@nyserda.org

5. Clean Air Communities

This Request for Proposals (RFP) solicits proposals from interested parties throughout New York City that will forward the goals and objectives of CAC. Qualifying submissions will receive funding from CAC to implement emission reduction strategies that deliver measurable emission reductions to areas that are subject to disproportionate environmental burdens. Proposed projects must present a strategy that achieves measurable air pollution reductions.

CAC encourages partnerships between community-based organizations, academic institutions, corporations and others who can advance the goals of environmental justice. Every proposed project must include participation from a community-based organization to be considered. Applicants are encouraged to include elements that advance community education; provide accurate monitoring of the resulting pollution reduction; and improve the understanding of air quality/public health challenges. Proposals that advance cost-effective, replicable reduction strategies will be favored. Rigorous data collection and documentation is required for all projects.

Clean Air Communities
P.O. Box 186
Bayport, NY 11705

NESCAUM
129 Portland Street
Suite 501
Boston, MA 02114

Contact: Glenn Goldstein, phone (631) 472-0011 (office), (917) 501-9629 (cell),
gpgoldstein@hotmail.com

6. EPA Environmental Justice (EJ) Grants

The EPA provides financial assistance to eligible community groups, and federally recognized tribal governments that are working on or plan to carry out projects to address environmental justice issues. Any affected community group, non-profit organization, university, or tribal

governments are eligible to apply. Organizations must be incorporated to receive funds of up to \$20,000 granted.

Contact Natalie Loney, phone (212) 637-3639

7. Federal Tax Deductions for AFVs and Refueling Sites

Under the National Energy Policy Act (EPAAct) the IRS allows deductions for the purchase of electric or other “clean fuel” vehicles. Trucks over 26,000 lbs. and 20 passenger buses would qualify for a \$50,000 credit, trucks between 10,000 and 26,000 lbs. a \$5,000 credit, and all other vehicles a \$2,000 credit. These credits will be 25% lower for the 2002 tax year and will continue to decline until they are phased out in 2005. For electric vehicles the credit is 10% of vehicle cost with a maximum deduction of \$4,000. EPAAct also allows for a maximum deduction of \$100,000 for costs associated with refueling sites built between June 30, 1993 and January 1, 2005.

For more information see IRS tax forms 535 and 8834 for clean fuel and electric vehicles respectively.

www.irs.gov

8. Empowerment Zones (PROPOSED 2002)

Representative Jose Serrano (D-NY) has proposed a bill (H.R. 377) which allows for tax credits to businesses using clean-fuel in empowerment and enterprise zones. Cars would qualify for a \$2,000 credit, light trucks a \$5,000 credit, and buses a credit of up to \$50,000. Property used as part of a refueling system for clean fuel would be eligible for a credit of up to \$100,000. The act also allows a 50 cent credit per gasoline gallon equivalent (gge) of clean fuel used by a qualifying business. The credit would fall under the general business credit in renewal communities. This bill is similar to the EPAAct tax credits (detailed below) at their 2001 funding levels, altering them to only apply to businesses in empowerment and enterprise zones. See Representative Serrano’s website for details on H.R. 377. The bill was referred to the House Ways and Means Committee this January.

<http://www.house.gov/serrano>

9. Clean Efficient Automobiles Resulting from Advanced Car Technologies-CLEAR ACT (PROPOSED 2002)

To promote the purchase of alternative fuel vehicles, the CLEAR ACT provides a tiered credit against income tax for individuals and businesses that purchase dedicated light, medium or heavy-duty alternative fuel vehicles. The amount of the credit depends on the environmental benefits of the vehicle. A taxpayer can claim a credit of 50 percent of the incremental cost of a dedicated alternative fuel vehicle. An additional 30 percent credit is available for vehicles meeting stringent emission standards.

The bill also includes a 50-cent per gasoline-gallon equivalent tax credit to the seller of natural gas, hydrogen, methanol and propane for transportation purposes. Taxpayers with a home natural gas refueling appliances also are eligible for the 50 cent per gallon credit. In addition, the bill extends the current tax deduction (\$100,000) for the capital cost of installing an alternative fuel fueling station, and adds a new credit of up to \$30,000 for the costs of installing alternative fuel sites. It also extends the electric vehicle tax credit until 2010 and provides a number of new tax incentives for fuel cell, hybrid-electric and battery-electric vehicles.

The U.S. Senate is currently debating the components of the CLEAR Act as a part of the comprehensive energy bill.